



VIA ELECTRONIC COMMENT FILING SYSTEM (ECFS)

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Suite TW-A325
Washington, DC 20554

Re: Otelco Inc. Expression of Interest for Rate-of-Return Area Rural Broadband Experiments
WC Docket No. 10-90 – Connect America Fund

Dear Ms. Dortch:

Otelco Inc. (Otelco) hereby submits this non-binding expression of interest to conduct rural broadband experiments in areas served by five of our rate-of-return regulated incumbent local exchange carriers (ILECs): Mid-Maine Telecom LLC and Pine Tree Telephone LLC in Maine, Shoreham Telephone LLC in Vermont, War Telephone LLC in West Virginia, and Granby Telephone LLC in Massachusetts.

Background

Otelco was formed in 1998 for the purpose of operating and acquiring rural ILECs. Since 1999, Otelco has acquired 11 rural ILECs located in Alabama, Maine, Massachusetts, Missouri, New Hampshire, Vermont and West Virginia. The rural ILECs owned and operated by Otelco were established around the turn of the 20th century by local farmers and businessmen to bring telephone service to high-cost rural communities that larger, urban-based carriers would not serve. These companies remained family owned or closely held for most of their history until their sale to Otelco. This rich history, combined with a strong commitment to enhance technology and expand services, allows Otelco to be a successful service provider in the markets it serves. Otelco's operating companies offer a wide array of communication services including telephone, long distance, Internet, broadband services, and video. In addition, Otelco has a keen focus on the local, rural communities it serves with sponsorships and volunteer activities.

Proposal

Otelco seeks Connect America Fund (CAF) support to conduct rural broadband experiments in five of its ILEC territories in Maine, Vermont, West Virginia, and Massachusetts. This support would be targeted to extend broadband capability to customers where broadband availability is limited or non-existent by any terrestrial provider. In most cases, the investments would improve remote digital subscriber line access multiplexers (DSLAMs) with fiber that are currently served by copper T-1s. This fiber to the node/remote, and the electronic upgrades therein, will dramatically improve the throughput speeds to customers.

Upon completion of these projects, in addition to more robust Internet access, customers will also be able to receive:

1. Over-the-top video offerings, including Netflix and a future product of the ILEC affiliate. This is significant because the areas for which the investments are being proposed do not currently receive cable video services from any provider.
2. Managed home and security, a new product available from the ILEC affiliate.
3. Voice over IP.
4. Other IP-based services available to consumers with a broadband connection.

What follows are the specific proposals for each operating ILEC service area.

Mid-Maine Telecom LLC

Census Tracts 23019021500, 23019028500, 23019028000, 23019028500, 23025985800, 23019024500, 23019012500, 23019028000, 23019022500, 23019018000

Mid-Maine Telecom serves three noncontiguous areas east and north of Bangor, Maine. The areas are highly residential. Mid-Maine Telecom currently serves 3,204 voice and 2,700 data lines.

Otelco seeks to improve service to approximately 600 customer locations, including Sweetser, a comprehensive behavioral healthcare organization. Deployments of fiber and new remotes would be made. Otelco expects to request one-time support of approximately \$802,000 for this investment in the formal proposal stage.

Shoreham Telephone LLC

Census Tracts 9623002070, 9623002071, 9623003002, 9609004012, 9609004058, 9623003052, 9623003054, 9623003071

Shoreham Telephone serves over 200 square miles in Addison and Rutland counties in Vermont. In 2011, Otelco invested over \$650,000 to bring broadband capability to the family dairy farms and residences of the valley. Additional investment is needed, however, to reach the extremely high-cost areas. Shoreham Telephone currently serves 3,114 voice and 1,797 data lines.

Otelco seeks to improve service to approximately 215 customer locations, including a Boy Scout camp and three independent businesses. Deployments of fiber, new remotes, and bonded copper would be made. Otelco expects to request one-time support of approximately \$87,000 for this investment in the formal proposal stage.

War Telephone LLC

Census Tracts 54047954100, 54047954200, 540479542001072, 540479542002068, 540479542002047, 540479542001133

War Telephone serves the city of War in McDowell County in southern West Virginia. This is a very economically challenged area. War Telephone currently serves 988 voice and 477 data lines.

Otelco seeks to improve service to approximately 205 customer locations. The primary deployment would be fiber. Otelco expects to request one-time support of approximately \$213,000 for this investment in the formal proposal stage.

Granby Telephone LLC

Census Tracts 250158209001011, 250158209001007, 250158209003030, 250158209003029, 250158209003017, 250158209003021, 250158209003032, 250158209003019

Granby Telephone serves the town of Granby in central Massachusetts. Granby remains a largely rural residential and agricultural area. Granby Telephone currently serves 1,256 voice and 414 data lines.

Otelco seeks to improve service to approximately 107 locations. Electronics would be deployed to augment existing DSLAMs. Otelco expects to request one-time support of approximately \$30,000 for this investment in the formal proposal stage.

Pine Tree Telephone LLC

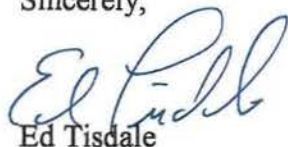
Census Tracts 230050115001006, 23005011501008

Pine Tree Telephone serves Gray and New Gloucester, Maine. It is largely a rural residential area. Pine Tree Telephone currently serves 3,052 voice and 1,301 data lines.

Otelco seeks to improve service to approximately 10 customer locations. (These customer locations are in a new housing development, where there is likely to be additional demand for broadband connections.) A fiber-fed pole-mounted DSLAM would be deployed. Otelco expects to request one-time support of approximately \$40,000 for this investment in the formal proposal stage.

Otelco appreciates the opportunity to submit this non-binding expression of interest. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ed Tisdale', with a stylized, cursive script.

Ed Tisdale
Senior Vice President
OTT Communications